



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1687 (1951)

December 8, 1987

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SUBJECT: Suspension of Administrative Offset

TO: All State Directors, State Directors-at-Large, District Directors,
and County Supervisors, FmHA (except North Dakota)

PURPOSE/INTENDED OUTCOME: As a result of recent court action, administrative offset under FmHA Instruction 1951-C is suspended until further notice. This AN does not apply in North Dakota since recent litigation there has resulted in a separate freeze regarding administrative offset.

COMPARISON WITH PREVIOUS AN: Four ANs have been issued concerning administrative offset. These are 1635(1951) concerning reporting requirements, 1654(1951) concerning offset of Agricultural Stabilization and Conservation Service (ASCS) cost-sharing payments, 1632(1951) concerning use of administrative offset after acceleration, and 1551(1951) concerning offsetting Federal Crop Insurance Corporation (FCIC) payments.

IMPLEMENTATION RESPONSIBILITIES: Each County Supervisor will ensure that no administrative offset payments are accepted after December 7, 1987. If an administrative offset payment is received on or after December 8, 1987, and if the check has been deposited, a refund of the amount offset will be processed through the Finance Office in accordance with FmHA Instruction 1951-A, paragraph 1951.13(b). If the check has not been deposited, it will be returned to the offsetting agency.

Administrative offset payments received on or before December 7, 1987, will NOT be refunded except in accordance with FmHA Instruction 1951-C, paragraph 1951.105(e)(3).

If an FmHA Form Letter 1951-3 has been sent to an offsetting agency requesting an offset on or before December 7, 1987, it will NOT be withdrawn. However, no new FmHA Form Letters 1951-1 or 1951-2 will be sent to borrowers. Borrowers' requests for reviews and hearings will continue to be honored for offsets prepared on or prior to December 7, 1987. However, if the offset decision is upheld, FmHA Form Letter 1951-3 will not be sent until further notice.

EXPIRATION DATE: November 30, 1988

Filing Instructions: Preceding
FmHA Instruction 1951-C



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

This AN does NOT apply to salary offset or Internal Revenue Service (IRS) offset, and activity under those initiatives will continue.

Please call Bob Nelson on FTS 475-4705 (Commercial 202-475-4705) with any questions.



VANCE L. CLARK
Administrator

Sent by electronic mail on Dec. 8 at 5:18 pm. State Directors will notify County Supervisors and other employees as appropriate.